

**BUTTE
COUNTY**
OFFICE OF
EDUCATION

DON McNELIS
SUPERINTENDENT

Russ Selken
Director
K-12HSN
1859 Bird Street
Oroville, CA 95965
(530) 532-5678
Fax (530) 532-5682
www.bcoe.org

Board of Education

*Bessie Hironimus
Dr. Ladd Johnson
Jeannine MacKay
Brenda J. McLaughlin
Dr. Robert W. Purois
Pat Matthews Spear
Betty Vassar*

An Equal Opportunity
Employer

April 18, 2008

Mr. Paul Clanon
Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Senate Bill 909 – Program that Provides 100% Discount on Installation of High-Speed Broadband Services for California Teleconnect Fund-Eligible Community-Based Organization.

Dear Mr. Clanon:

On behalf of the California Teleconnect Fund (CTF) Administrative Committee, we respectfully request that the California Public Utilities Commission contact the Legislature to extend Senate Bill 909 funding, which is due to expire on June 30, 2008.

Senate Bill 909 Background:

On September 30, 2006, Senate Bill 909 (Bowen) was signed into law, and later codified as Section 884 of the Public Utilities Code. This bill provides for up to two million dollars for CTF eligible community-based organizations (CBOs) to cover the one-time cost of installing or upgrading advanced telecommunications lines. These CBOs are non-profit, and these funds will allow them to focus resources on their programmatic aspects instead of hardware, which could be reimbursed by SB 909 funds. In addition, this will allow them to fully utilize the benefits of advanced telecommunications services and provide these services in the communities they serve.

Senate Bill 909 funding provides a wonderful benefit to eligible CBOs that have taken advantage of the reimbursement. However, the loss of this benefit places dark clouds on the horizon. Due to projected downturn in the US economy, the financial picture for non-profits for next fiscal year 2008/2009 will be extremely challenging. Even in good fiscal years, CBOs struggle to survive. Last year Senate Bill 909 made the difference between installing broadband (as opposed to not having enough funding) for some CBOs with large under-served populations. It would be a blow to CBOs, serving needy Californians, to lose this benefit. The CTF Administrative Committee recommends that the CPUC and the Senate extend Senate Bill 909 funding, which is due to expire on June 30, 2008.

Reasons for Requested Extension of Senate Bill 909:

The CTF Administrative Committee recommends that Senate Bill 909 funding be extended until the allocation is exhausted for the following reasons:

- Due to the negative economic outlook and declining public and private sources of revenue for CBOs, public funds for broadband installation are necessary to advance broadband access for the underserved population.
- The barriers of the one-time costs for installation are very daunting to already cash-strapped CBOs.
- This provision promotes access of broadband to organizations serving the neediest Californians.

It would be a great loss for California if Senate Bill 909 funding is allowed to expire on June 30, 2008. Additional recommendations will come from the committee over the coming months that will help resolve the long-term problem of inter-state/Internet connectivity, such as DSL, not receiving discounts from certain carriers¹.

If you have any questions regarding this matter, please do not hesitate to contact me at (530) 532-5678 or at rselken@bcoe.org.

Sincerely yours,



Russell Selken
CTF Administrative Committee Chair
Butte County Office of Education
California K-12 High Speed Network
Director of Network Services
California Department of Education E-rate Advisor

cc: President Michael R. Peevey
Commissioner Dian M. Grueneich
Commissioner John Bohn
Commissioner Rachelle Chong
Commissioner Timothy Alan Simon
Jack Leutza

¹ Attachment A provides a list of carriers offering CTF discounts on DSL, T-1 with Internet connection, and T-1 point-to-point (without Internet connection).

Att.

Attachment A

| List of CTF Participating Carriers Offering DSL and/or T-1 Service at CTF Discount | | | | | |
|--|-----|-------------------|----------------------|--|---|
| Carrier Name | DSL | T-1 with Internet | T-1 (Point-to-Point) | Service Territory by County | |
| Advanced Telcom. | x | x | x | Sonoma | |
| AT&T | | | x | Statewide | |
| Calaveras | | x | x | Calaveras | |
| Call Tower | | x | x | Statewide - will offer DSL soon | |
| Cal-Ore Telephone Compnay | x | | x | Siskiyou, Dorris, Tulelake, Macdoel, Newell | |
| Cbeyond | | x | | Alameda, Los Angeles, Orange, Riverside, San Diego, San Mateo, San Bernardino, Santa Clara, Santa Cruz | |
| Citizens Telecommunications Company of California | x | x | x | } | Shasta, Lassen, Modoc, Plumas, Tehama, Humboldt, Colusa, Sacramento, Solano, Siskiyou, Tuolumne, and San Bernardino |
| Citizens Telecommunications Company of Golden State | x | x | x | | |
| Citizens Telecommunications Company of Tuolumne | x | x | x | | |
| Eschelon Telecom, Inc. | x | x | x | Sonoma | |
| Foresthill | | | x | Placer | |
| Happy Valley | x | x | x | Shasta, Tehama, Trinity | |
| Hornitos | x | x | x | Mariposa | |
| Kerman Telephone | | x | x | Fresno | |
| O1 Communications | x | x | x | Statewide | |
| Paetec Communications Inc. | | x | x | Los Angeles, Orange, Riverside, San Bernardino, Ventura, and San Diego | |
| Ponderosa | | x | | Please contact carrier for service territory | |
| Sierra Telephone Company | | | x | Eastern Madera and Mariposa | |
| Siskiyou | | | x | Siskiyou | |
| Telepacific | x | x | x | Statewide where facilities exist, very limited DSL offering | |
| Time Warner | | | x | Statewide | |
| Time Warner Telecom of CA LP | | x | x | Statewide | |
| Verizon | | | x | Statewide | |
| Winterhaven | x | x | x | Imperial | |
| Volcano | | | x | Calaveras and Amador | |

For CTF participating carriers' contact information, please visit the following website:

<http://www.cpuc.ca.gov/PUC/Telco/Public+Programs/CTF/index.htm>